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CORPORATION FILE

HART SCHAFFNER & MARX



Twenty-second Annual Report
November 30, 1932

MRB
CORP. FILE

HART SCHAFFNER & MARX

CHICAGO NEW YORK

New York, January 23, 1933

To the Stockholders
of Hart Schaffner & Marx

On behalf of your Board of Directors we submit the financial statement of the Company for the fiscal year ending November 30, 1932, together with the report of the auditors, Messrs. Price, Waterhouse & Company

The Company ended the year with no indebtedness for borrowed money, the liabilities consisting only of current items and taxes. The ratio of current assets to current liabilities is over 16 to 1

Operations of the Company during the year were affected adversely by the serious business depression through which we are passing. The volume of sales in dollars has declined in even greater ratio than the physical volume due to the sharp decline in the average unit price at which clothing is being sold

For many years a liberal policy in connection with capable retailers has materially assisted in the upbuilding of the business. In a period such as we are now experiencing, this policy has entailed considerable loss for which full provision has been made in the accompanying report

The expense of doing business was reduced by more than a million dollars during the past year, and a drastic program put into effect on January 1, 1933, is expected to bring administrative overhead to a point approximately two-thirds less than the figure for 1929

Improvements in the quality of our product have met with most favorable comment from retailers

Inventories are $702,240 compared with $2,471,275 at the same time a year ago

MARK W. CRESAP
Chairman

ALEXANDER M. LEVY
President

BALANCE SHEET —

Assets

Current Assets

Cash	$1,765,278.00	
State of Illinois—Revenue notes—at cost	15,000.00	
Notes and Accounts Receivable (less reserves), including amounts due from subsidiary companies covered by net quick assets	5,054,377.14	
Inventories of materials and finished and partly finished merchandise on hand and in transit, at cost or market, whichever is lower	702,240.26	
Sundry accounts	69,432.40	
Prepaid insurance, taxes, etc.	58,186.50	$ 7,664,514.30
Advances in connection with purchase of Company's Capital Stock		
Directors and officers	None	
Employees (less reserve)	$42,755.75	42,755.75
Investments in, and advances to subsidiary companies, less reserve		1,950,748.61
Company's Capital Stock held in Treasury		
At par — 2,981 shares	$298,100.00	
At cost — 2,774 shares	30,114.09	328,214.09
Shop Equipment and Fixtures, including Office Furniture,	$1,162,551.70	
Less—Depreciation Reserve	857,355.34	305,196.36
Good Will, Trade Names and Trade Marks		10,000,000.00
		$20,291,429.11

NOVEMBER 30, 1932

Liabilities

Current Liabilities

Trade accounts payable	$168,414.66	
Liability for goods in transit	39,606.75	
Accrued pay rolls, etc.	53,640.65	
Accrued taxes	200,034.74	$ 461,696.80

Capital Stock

Common—Authorized and issued 150,000 shares of $100.00 each	15,000,000.00
Reserve for contingencies	1,500,000.00
Surplus per accompanying statement	3,329,732.31
	$20,291,429.11

SURPLUS AND PROFIT AND LOSS ACCOUNT

FOR THE FISCAL YEAR ENDING NOVEMBER 30, 1932

Loss of parent company for the year,	
After providing for manufacturing, marketing and administrative expenses, depreciation of equipment and doubtful accounts	$2,332,777.35
Add—	
Provision in respect of losses of subsidiary companies for the year	1,582,951.68
Total loss for the year	$3,915,729.03
Surplus at November 28, 1931	$7,245,461.34
Unappropriated Surplus At November 30, 1932	$3,329,732.31

Report of Accountants

To the Stockholders of
Hart Schaffner & Marx

We have made an examination of the books and accounts of Hart Schaffner & Marx for the fiscal year ending November 30, 1932, and have been furnished with all the information and explanations we have required

We have been furnished with statements relating to the accounts of the subsidiary companies as of November 30, 1932, certified by the officers thereof. We have carefully reviewed these statements and have attended at the offices of a number of the principal subsidiaries in order to make a general review of the books for the purpose of substantiating the correctness of the information furnished us

The accompanying Balance Sheet includes the assets and liabilities of the parent company, the investments in and advances to subsidiary companies being stated as such in the Balance Sheet after making provision for losses of such companies to November 30, 1932

The merchandise and material on hand and in transit, as shown by inventories certified by the responsible officials, are stated in the Balance Sheet at cost or market, whichever is lower. Ample provisions have been made for doubtful accounts receivable, for discounts, and for all ascertained liabilities. The cash and bank balances have been verified by actual count or by certificates from depositories

Based on the foregoing examination and review, we are of opinion that the accompanying Balance Sheet and relative Surplus and Profit and Loss account fairly set forth the financial position of the Company on November 30, 1932

PRICE, WATERHOUSE & CO.

Chicago, January 16, 1933